

**CITY OF SAN DIEGO
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
FY 2012 CDBG APPLICATION PROCESS**

FREQUENTLY ASKED QUESTIONS

1. On the Application Submittal Checklist, does the Certification Regarding Board of Directors/Governing Board's Economic Interest need to be completed by each Board member? Or, is the Board Chair's certification sufficient as with last year's process?

Response

The Board Chair's certification is sufficient to meet the application requirement.

2. If we are submitting multiple CDBG application, will our agency have to submit original signatures on the certification forms for each application submitted? Will we have to provide multiple copies of the supporting documents such as the tax forms, audit report, and lease agreement?

Response

If your agency is submitting multiple applications, only one original signed copy of the certification forms and supporting documents (i.e. audit report, tax forms) will need to be submitted. Please submit the required documents with the original application that your agency has designated as "1" in Section IV. of the application form (Application Priority Number). However, if you are submitting multiple construction projects, the following will need to be submitted for each project application: 1) Application Submittal Checklist (completed as applicable for each application); 2) construction schedule; 3) completed bid from a licensed contractor; 4) Certification Regarding Use of Real Property; 5) Project Contact Information Form (if the same for all projects and all project titles are listed, only one original copy will be needed); 6) Signature Authorization Form (if the same for all projects and all project titles are listed, only one original copy will be needed); 7) Agency Lease Agreement if applicable; and 8) job descriptions if applicable. In addition, for non-construction projects, #1 and #5-8 will also need to be submitted for each project as applicable.

3. We will be submitting a Public Services Application. Our current lease agreement will be expiring in January 2011, but includes an option for annual renewals for the next three years. Will we need to renegotiate our lease term to list an expiration date of June 30, 2012?

Response

For submittal of the Public Services Application, your agency will not have to renegotiate the current lease agreement. As further clarification, submittal of a copy of the lease agreement is required only if your agency's proposed project includes a

portion of this expense in the “Rent” line item budget. If applicable to submit a copy, please highlight the reference to the option for annual renewals.

4. For the Public Services Application, will we need to submit a copy of our agency’s lease agreement if we are not including lease payments into the CDBG application budget?

Response

No, your agency will not have to submit a copy of the lease agreement.

5. Can you provide clarification on the Organizational Capacity-Building activity?

Response

Organizational Capacity-Building (OCB) applicants should be agencies that provide capacity building and/or organizational technical assistance as part of the agency’s mission. The activities to be provided should be those that increase their capacity to effectively address their needs and carry out other tasks relative to improving neighborhoods. However, activities that provide assistance with regard to increasing an organization’s fundraising and/or donation capacity are not eligible for CDBG funding. The agencies assisted by OCB projects must be neighborhood-based organizations that serve low/moderate income clients and/or neighborhoods. For the FY 2012 CDBG Application process, the City will select the agencies to be assisted if an OCB project is approved for funding.

NOTE: This activity is not eligible for agencies intending to utilize CDBG funds to pay for staff or paid consultants to increase their own organizational capacity.

6. What is the difference between Organizational Capacity-Building activity and Technical Assistance activity?

Response

Technical Assistance has similar eligibility criteria as the Organizational Capacity-Building activity, with exception to the type of agencies that will be served. For Technical Assistance projects, applicants must limit assistance to public or nonprofit agencies that carry out neighborhood revitalization or economic development activities. Applicants for this category must provide specific details of the agencies to be served and the type of neighborhood revitalization or economic development activities conducted by those agencies.

7. Is there a maximum cap on the amount of CDBG funding we can request?

Response

The only activity with a maximum cap is the Organizational Capacity-Building activity, which is \$100,000. There are no caps on the other activities in the Community/Economic Development Projects Application, Development/Capital Improvement Projects Application, and Public Services Project Application. For the Public Services activities, however, there is a maximum cap amount available for City Council to allocate. The total amount that will be allocated for Public Services is limited to 15% of the City’s CDBG Entitlement amount. (For FY 2011

approximately \$2.5 million was allocated to Public Services projects.) One other consideration that should be made is that the request amount should represent the total amount needed to complete the project as described in the application. Applications will be approved on an “all or nothing” basis. Another factor in determining the application project budget is whether your agency will be able to meet the fiscal requirement of demonstrating the capacity to have three months of cash or cash equivalent.

8. If we are submitting a Public Services Application, do we need to complete and submit the Certification Regarding Section 3 and Certification Regarding Use of Real Property forms?

Response

No. Public Services and Community/Economic Development applicants will not need to submit the Certification Regarding Section 3 and Certification Regarding Use of Real Property forms.

9. Our agency was originally incorporated under a different name in 1989. In 1993, an amendment was filed with to officially change the corporation name to our current agency name. Which date should I place in the space for “date of incorporation” on our FY 2012 CDBG application?

Response

Your agency can list “1989” as the date of incorporation.

10. I do not see a reference to the Certificate of Good Standing from the Secretary of State’s office that we have been required to submit in the past. Do we still need to submit? This is very important to know since they no longer have this available locally and the process of getting one from Sacramento takes at least three weeks.

Response

For FY 2012 CDBG Application process, the CDBG Program is not requiring agencies to submit a Certificate of Good Standing for those reasons stated above.

11. It had been my understanding that there would be a Citizens Panel making funding recommendations this year, but I don’t see them in the timeline? Will that be happening? If so, where can I find a list of who is on the panel?

Response

For FY 2012, there will not be a panel convened to score applications. The Consolidated Plan Advisory Board has only recently been implemented and the members are just beginning to familiarize themselves with the CDBG Program. There have been two meetings conducted. All meetings are open to the public and the Agendas are posted in the CDBG Program website (www.sandiego.gov/cdbg). We can also confirm that there have been no actions taken at the meetings regarding their roles for the FY 2012 CDBG Application process. However, this will be discussed in the next meeting scheduled for December 13, 2010. The Agenda for this meeting will be posted on our website next week.

12. The board resolution we currently have states that our agency is authorized to request funds, negotiate contracts, and contractually bind the agency for opportunities stemming from the Community Development Block Grants (CDBG). The authorization is in effect until December 31, 2010. Will submission of this document meet the requirements for the FY 2012 application?

Response

Yes. Based on the information provided, submission of that document will be sufficient to meet the application requirement.

13. Can you provide clarification on the requirement to have project site control established for a minimum of five years from the scheduled project completion date?

Response

For Development/Capital Improvement Projects, with exception to Minor Residential Rehabilitation projects, applicants must demonstrate they have established project site control for a minimum of five years from the project's completion date. If CDBG funds will be utilized for the acquisition or improvement of a property, there is a requirement to ensure that the use or planned use of any such property will not be made within five years after the closeout of the CDBG project.

14. If our project location is not located in an eligible CDBG census tract, can we still submit an application for Development/Capital Improvement Projects?

Response

Yes, however, your agency will need to demonstrate direct benefit to low/moderate income persons through collection of client demographics information. In Section XIII, Project Benefit of the application form, your agency will need to complete "2" of that section. In addition, the description listed in Section XIV, the Target Population, will be reviewed for eligibility.

15. Our project is located in a City-owned facility. We currently only have a year-to-year lease with the City. The City will not approve a five-year lease for our agency. Does this mean our application will be deemed ineligible, if submitted?

Response

Yes. Your application will be deemed ineligible, if your agency submits a one-year lease. Your agency must submit a lease agreement with an expiration date that is not prior to five years from the scheduled completion date.

16. For our Minor Residential Rehabilitation project, the expense for the Project Management Services line item (Section XXIII. of the Development/Capital Improvement Projects Application) exceeds 10% of the total amount requested. Will our application be disqualified based on this requirement?

Response

The maximum 10% listed for the Project Management Services line item in Section XXIII of the Development/Capital Improvement Projects Application form is based

on the average cost of project management for most construction projects. However, for Minor Residential Rehabilitation projects, clarification is being provided that the amount can exceed 10% as long as the amount budgeted is based on eligible direct project delivery activities such as: staff costs and related expenses required for outreach efforts for marketing the program, rehabilitation counseling, screening potential applicant households, energy auditing, preparing work specifications, inspections, and other services related to assisting owners per the proposed project description. For personnel expenses budgeted under this line item, applicants must list the title and the percent total to be charged to CDBG for each position charged. Applicants must also ensure that job descriptions for each position listed is included in the application packet (see Item #25 of the Application Submittal Checklist). Keep in mind that no indirect personnel expenses or operation expenses are eligible.

17. What is the City's FY 2012 CDBG entitlement amount?

Response

The City will not receive confirmation of the actual FY 2012 CDBG Entitlement amount from HUD until March 2011. For this application process, we are anticipating to receive the same amount as FY 2011 (approximately \$16 million), plus an addition \$3.2 million in program income. These are the amounts listed in our application materials.

18. Can you provide clarification on what a Project Fee Structure is (Section XII. of the Development/Capital Improvement Projects Application)?

Response

Your agency is being requested to indicate whether any fees are and/or will be charged for any services provided in the facility for which your agency is requesting CDBG funding. If your agency does not charge any fees at all, just indicate that in this section. If there are fees charged and/or to be charged (i.e. room rentals, client fees, etc.), your agency will need to indicate this and provide a description of the fee structure utilized.

19. If we apply for two categories, will one be weighted with more merit than the other (e.g. CIP budget is higher than a Public Services application)?

Response

The Public Services category has a maximum limit of 15% of the City CDBG entitlement amount that can be awarded. As such, the total amount awarded for the Development/CIP projects will be more than the total amount awarded for the Public Services projects. As further clarification, the Council District offices will be making recommendations for the Bricks & Mortar budget (Development/Capital Improvement Projects and Community/Economic Development Projects) and the Public Services budget separately. However, your agency will still need to prioritize your applications if multiple applications will be submitted. Your designation will need to be entered in Section IV of the application form (Application Priority Number).

20. We are in the process of completing a formal contractor's bid. Should we seek the other two bids at this time, in anticipation that it will be required if we receive a CDBG award?

Response

No. Only one completed bid for your proposed CDBG project will need to be submitted as part of the application packet. As a reminder, the completed bid must be from a licensed contractor that includes applicable prevailing federal wage rates in the determination of the total project budget. Your agency will need to let them know that providing the bid doesn't guarantee they will get the work. If your agency is awarded CDBG funding, your agency will be required to advertise the project for 30-days.

21. The Target Population (Section XIV of the Development/Capital Improvement Projects Application) includes the population of students, the teaching staff, and a portion of residents who will use the space to be repaired and renovated. Can we use this data, rather than the entire demographics of our area?

Response

Yes. Your agency can use the data as referenced if this is the target population that will benefit from the completion of your agency's proposed project. However, please be specific about staff space in the project description section. As a clarification, only space utilized by low/moderate clients can be improved. Space for which utilization is limited to administrative and/or program staff is not eligible to be funded with CDBG funds.

22. We have a letter of support for our CIP project. Can we include it in our application package?

Response

Letters of support are not requested and should not be submitted with the application packet. Our office will only be forwarding a copy of eligible CDBG applications to the Council District offices for their review.

23. Item #24 of the Application Submittal Checklist (Development/Capital Improvement Projects) that states, "Contractors receiving \$500,000 or more of federal funding, when that funding represents more than 10% of the agency's annual budget, must submit salary and wage ranges for each of their job classifications, including actual executive salaries and benefits packages applicable for the contract period." Can you provide clarification on this?

Response

With regard to Item #24 of the Application Submittal Checklist, the \$500,000 refers to all federal funding (including CDBG). The 10% does refer to your agency's annual budget, and would include any funds awarded from funding sources for capital improvements.

24. We already have one bid from a general contractor based on the project starting years ago at a different site, so we do not have bids for this site. We are concerned that we will not have time to get additional bids by a general contractor for the entire project by the December 10, 2010 deadline. Can you provide clarification on this requirement?

Response

The bid your agency currently have is not acceptable as it's for another location than what you will be applying for. Your agency will need to submit one completed bid for your proposed CDBG project location as part of the application packet. As a reminder, the completed bid must be from a licensed contractor that includes applicable prevailing federal wage rates and fringe benefits in the determination of the total project budget. There are many general contractors within the area that should be able to provide this service. Your agency will need to let them know that providing the bid doesn't guarantee they will get the work. The bidding process to be undertaken should funding be awarded are detailed at the Development/Capital Improvement Project Workshops.

25. As a requirement, projects must be completed within 18 months of the allocation date. If toward the end of the project timeline it is determined that an additional two months are needed to complete our project, can an extension be requested?

Response

That depends on where the project is at the time of the request. This will only be granted on a case-by-case basis. The project must be underway with expenditures incurred and invoices submitted to the City at the time of the request.

26. We plan to submit a Development/Capital Improvement Project Application to complete improvements to a community center. There are several needs identified. We want to complete replacement of windows and flooring for FY 2012 then apply again for FY 2013 to complete replacement of windows and conversion of a storage area to an office that will be used to meet with clients. Will we be able to apply again in FY 2013 if we get approved for funding in FY 2012?

Response

No. If the project is all at the same location, it is recommended that your agency apply for all the improvements needed.

27. Why is it recommended that our agency meet with all eight Council District offices to discuss our application?

Response

The CDBG Program reforms have eliminated each Council District office from having district allocations. CDBG funds are now issued by all Council Districts citywide. Therefore, a majority of the offices must approve your application to receive CDBG funds.

28. Section XVII of the Community/Economic Development application states that a lease agreement for our project site must be submitted with our application, and that the lease must be valid for 18 months after the allocation date of funds. Our current lease will expire December 31, 2011 with the option to extend for two consecutive one-year terms at our discretion. Does this meet the lease requirement for the application, or do we need to renegotiate our lease agreement by the application deadline?

Response

Your agency will not have to renegotiate your current lease agreement for submission of a Community/Economic Development Projects Application. When you submit the copy of the lease agreement, please highlight the portion that references the option to extend at your agency's discretion.

If your agency were to submit a Development/Capital Improvements Projects Application, your agency would be required to renegotiate the lease agreement to ensure the expiration is not dated prior to five years after the scheduled project completion date.

29. I would like a clarification as to what area an application for CDBG funds for Foreclosure Intervention and Default Counseling/Education Services would fall under? My first inclination is Foreclosure Intervention services would fall under Public Services Projects; either under eligible Public Services Activity; 1) other or 2) educational services. My second inclination is Foreclosure Intervention Services could fall under Community & Economic Services; either under eligible activity of either 1) Direct Homeowner Assistance or 2) technical assistance?

Response

The Public Services Projects Application would be the correct application form to complete. Direct Homeowner Assistance refers to a project resulting in assisting low/moderate-income clients purchase a home through loans or down-payment assistance. Technical Assistance is limited to agencies that provide technical assistance to public or nonprofit agencies to increase their capacity to carry out eligible neighborhood revitalization or economic development activities. (Please review Page 6 of the Application and Contracting Process Handbook.) With regard to the Public Services Activity, the "Other" selection would best fit since your project is proposing to provide intervention, counseling, and education services.

30. Our agency has a lease agreement with the City of San Diego for our facility. For the Certification Regarding Use of Real Property form, who should sign this form?

Response

The Certification Regarding Use of Real Property form must be completed by the City's Real Estate Assets Department and/or Park and Recreation Department as applicable. Prior to submission of an application to complete improvements to a City-owned facility, applicants must meet with the applicable department to obtain their approval of the proposed project activities and for completion of the certification form.

31. We are applying for CDBG funds this year as a City department. Do we need to include overhead in the budget?

Response

Yes. If the application does not include overhead in the budget, it will not be forwarded to Council for funding consideration.

32. Census tract information is due to be updated based on the results of the 2010 census. Are we using the 2000 or 2010 data?

Response

The 2000 data will be utilized until the 2010 data is made available. As of now, the 2010 data has not been released by HUD. Should the 2010 data issued change the eligibility status of your application even after Council's award, your agency will be immediately notified.

33. For Minor Residential Rehabilitation projects, do we need to have a list of properties identified for our application?

Response

No. However, the total number of households to be served must be identified in the application. If funded, your agency will need to submit a list of the household locations and a description of the minor rehab to be completed to the City on monthly basis.

34. Will CDBG funds be awarded for parts of an application versus the entire submittal?

Response

No. If determined eligible, the entire project will be considered for funding or not at all.

35. Is there an opportunity to negotiate the award amount?

Response

No.

36. For CIP projects, can indirect staff costs and operational expenses such as rent be included in the budget?

Response

No.

37. I attended the Public Services Application Workshop. Our agency will also be submitting a Development/Capital Improvement Projects Application, but did attend the Development/Capital Improvement Projects Application Workshop. Can we still submit a Development/Capital Improvement Projects Application?

Response

No. Unfortunately, attendance at one of the Development/Capital Improvement Projects Application Workshop session is required to submit this application. There are specific requirements for these activities that were presented.